

Sullivan County NH

Type of meeting: Board of Commissioners, Executive Finance
Committee of the Convention and the County
Treasurer - Special Meeting For Borrowing

Date/Time: Monday, April 16, 2007; 8:30 AM

Place: Newport Remington Woodhull County Complex – 1st
Floor, Jury Assembly Room.

Attendees: Commissioner Ethel Jarvis - *Chair*, Ben Nelson – *Vice Chair*, Jeff Barrette – *Clerk*; Cynthia Sweeney – *County Treasurer*; Ed Gil de Rubio – *County Manager*; Sharon Johnson-Callum (minute taker).

Executive Finance Committee: Brenda Ferland, Larry Converse, Suzanne Gottling, John Cloutier, Tom Donovan, Ray Gagnon – Delegation Vice Chair and Ex Officio.

Rep. Ray Gagnon questioned the definition of *Executive Committee* vs. *Executive Finance Committee*. He noted the RSA indicates the Executive Committee is responsible for authorizing the borrowing and thought the Executive Committee was the Chair, Vice Chair and Clerk. Representative Ferland and Commissioner Jarvis negated the comment, indicating the Executive Committee has historically been the Executive Finance Committee, and is the Chair, Vice Chair, Clerk and those appointed to the Executive Finance Committee.

8:40 Commissioner Jarvis opened the meeting.

Rep. Gagnon noted there is confusion on the wording. Mr. Gil de Rubio noted this is an RSA, and does not involve just us but all counties. Representative Gottling read through RSA 24:2 “*..the county convention shall elect a chairperson, vice-chairperson, clerk, and executive committee. The chairperson, vice chairperson, and clerk shall be members of the executive committee, ex officio. The county convention may designate the executive committee to act as a subcommittee to consider the budget, or other matters, and make recommendations to the county convention*”. She thought that was what they did.

Commissioner Jarvis opened the floor to Mr. Gil de Rubio “*to explain why we need the 5 million?*” Representative Ferland noted the correct procedure was for the County Treasurer to explain this. Commissioner Jarvis concurred and opened the floor to Cynthia Sweeney, County Treasurer.

Ms. Sweeney noted she came before the group to take out a line of credit, which could be used up to 5 million. She noted the County has \$334,000 and the County will require \$350,000 to meet this week’s payroll. She noted they would only borrow what is needed, no more; they would be paying interest only on the borrowed amount. Mr. Gil de Rubio.

added that they needed, in addition, \$300,000, to cover expense checks. He noted they anticipate \$700,000 - \$800,000 revenues coming in this week, is unsure of the exact receipt date, and needs funding to make payroll and expense checks. Commissioner Barrette asked why they were borrowing 8 weeks earlier than normal. Mr. Gil de Rubio discussed the third quarter finances they were truing up, that the County is looking pretty good, and referred them to the YTD (Year To Date) column reflected on the end of March expense and revenues report, printed April 10, 2007 @ 1:54:24 PM. Grand Total on Page 8 shows \$18,805,941.07 million. To this, he indicated he added \$700,000, a guesstimate, that included the Human Services average bill of \$300,000, page 8. This would bring the total to \$19,505,941.07, which would place expenses more around 25%. Mr. Gil de Rubio referred the group to Page 8 on the Revenue report, to the YTD column that reflected \$20,544,623.73. He noted from this amount, he subtracted the bond fund balance, to come up with \$1,038,662, a positive fund balance. He noted these are just rough numbers and the accountant is reviewing numbers and will be creating a third quarter report. Mr. Gil de Rubio confirmed he calculated these numbers based on the calculations Mr. Graham used in the past. The group reviewed the balances on the various funds reflected in the reports. Mr. Gil de Rubio pointed out that Nursing Home revenues were short, expenses are running high and he will be meeting with Scott [Wojtkiewicz] to sure those issues up. They are having staffing issues, call outs increased, and the expenses triple as they pay for the ET for the call outs, plus any over time to other staff, or agency replacements. The County Manager discussed reasons for call outs and noted they occur more during holiday, spring, nice weather, deer hunting; and occur in streaks. He confirmed money has been budgeted for this issue for FY08. He noted they are at the negotiating table with the Union, that Union representatives are cognizant of the Call Outs and in turn try to educate the staff; but basically it's trying to change the mind set. Rep. Donovan and Mr. Gil de Rubio discussed extra cost issues reflected in expense lines. Commissioner Nelson noted the Union rejected an incentive bonus idea. The group briefly discussed how other nursing homes handle the staffing problem. Mr. Gil de Rubio noted they are low on census, 145-146; budgeted census 151. He noted three years ago, low would have been 115. He noted how they are unable to adjust staffing according to population, as they must guarantee employees 40-hour weeks, compared to a private organization that can lay off staff during low periods. Mr. Gil de Rubio confirmed Medicaid is holding its own, skilled care revenues are down. Rep. Donovan questioned what Year End would look like with the current trend. Mr. Gil de Rubio feels they will look good and just need to sure up on expenses. Rep. Donovan noted he needs a clear grasp of expense projections over the next 3 months to make a judgment on borrowing. Commissioner Barrette asked if they could quantify cost of call outs? Mr. Gil de Rubio confirmed he could put something together. Commissioner Barrette asked why the dietary fund balance was almost to zero when it should be at 25%. Mr. Gil de Rubio noted he would look into that matter. Rep. Donovan reminded the group the financials do not take into consideration the Genesis contract. Rep. Gottling questioned the protocol on "moving monies" and noted she believes appropriations cannot be moved around within the funds without approval from the Delegation. Rep. Ferland negated the statement; it says "one fund to another or any appropriation". Rep. Gottling noted she had spoken to a municipal representative on this issue. Commissioner Barrette noted the wording indicates "or any part there of"; he noted "In practice" he

"can't believe that would work". Rep. Cloutier noted his understanding was that the Commissioners could move money within a particulate fund, but must get approval from the E.F.C. to move from fund to fund. Rep. Donovan noted this was another day's discussion, and expressed concern about mapping this out as far as where the County is going to be. Rep. Ferland reminded the committee they would be coming in for lots of meetings. Commissioner Jarvis noted the difficulty of having a good budget if the Delegation does not know how things are moved around. Commissioner Barrette noted *"the budget is a snapshot in time and you make at the end of the year adjustments and move forward"*. Rep. Cloutier asked if they would see another request for borrowing come before them in early June? Rep. Ferland reminded the Executive Finance Committee the County borrows only what they need at the time it's needed. Mr. Gil de Rubio noted they came before the Commissioners and E.F.C. in December and asked for 1 million, never drew on the amount, but did it for safety. He reminded them that there was no cost to not draw on the line of credit. Mr. Gil de Rubio recommended in the future they look at a line of credit for the entire year. Rep. Cloutier asked if they approve of the line of credit, would it be paid before the end of the calendar year? Rep. Gottling questioned if it was a fiscal or calendar year? Rep. Donovan requested a running tab, estimate of major expenses and revenues to June 30th. Mr. Gil de Rubio noted he would do a cash flow analysis. Rep. Donovan requested an itemization of the cost to the Genesis contract, expressing concern about unbilled invoices; he again requested a projection of the finances to 6/30/07. Mr. Gil de Rubio confirmed again he would do a cash flow analysis. Commissioner Barrette noted *"if we just received tax money in December and here it's April 15th and looking to borrow we need o look at what we are doing"*. Ms. Sweeney noted they have 3 million, not the 7 million. Commissioner Jarvis noted she *"feels terrible that Cynthia did not request an audit of the books when she took over, to know the status of the County"*. Commissioner Barrette commented, *"if we have big ticket revenues, seems we should not have a negative balance"*. Rep. Gottling questioned how many invoices Genesis had not billed for. Mr. Gil de Rubio confirmed Genesis sent a spreadsheet and he will be sitting down with Genesis's District Manager, Mr. O'Leary, to review. Rep. Gottling again requested Mr. Gil de Rubio to provide them, now, with an estimate and how old. Mr. Gil de Rubio noted the last payment was in December, and with Managerial contract around \$300,000. Commissioner Barrette added \$16,660 was paid to Genesis for six months. Rep. Donovan noted *"this sounds bleak to me, from past history, when we see those figures, there may have to be further adjustments to the budget per cost containment for the remaining"*. Mr. Gil de Rubio confirmed he'd spoken to Department heads already and they know they are to buy only items that are drastically needed.

Rep. Ferland requested the Commissioner Chair to resume borrowing discussions. Rep. Gagnon noted he feels there is an issue, they need to borrow money, they need to pay that back, they need to manage expenditures and salaries, and expenditures are all based on this discussion. Commissioner Barrette noted with the pace they are going at, and the budget they have of 5.57 million for the nursing, they will be at 7 million soon. Commissioner Jarvis noted he needed to also take into consideration the nursing on call of 512 million. Commissioner Barrette pointed out that there are still positions to fill, and was concerned. Mr. Gil de Rubio confirmed he would get the exact staff count and

provide that for him. Rep. Gagnon spoke hypothetically about spending money on staffing that was not needed, just to justify the next year budget. Rep. Donovan noted that was not the case this year. Rep. Gagnon questioned if there was "on hands management", which Mr. Gil de Rubio confirmed was there. Mr. Gil de Rubio confirmed Jeff Graham was finishing the hard numbers and he will be meeting with Scott [Wojtkiewicz] and can have something to them by their next meeting.

9:29 A motion was made, by Commissioner Nelson, to ask the [County] treasurer to borrow up to Five (5) million, based on this copy in front of us. There was no second. Commissioner Barrette noted they do not have to go for the 5 million and could do the 2 million; and should they go over the 2 million mark, they could reconvene the EFC. This motion failed as not second.

9:31 A motion was made, by Commissioner Barrette, to ask the [County] Treasurer to borrow Two (2) Million credit [line]. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

9:32 Commissioner Jarvis handed the meeting over to Representative Brenda Ferland, Chair of the Executive Finance Committee.

Rep. Ferland noted the E.F.C. had heard the motion and asked if they would like to entertain a motion.

9:33 A motion was made, by Rep. Converse, to borrow Two (2) million. Rep. Gottling seconded the motion. Discussion – Representative Gagnon wanted a cash flow analysis provided. Mr. Gil de Rubio confirmed he would do this. Rep. Gagnon requested the issue be brought before the full Delegation 4/23/07. Rep. Ferland reminded Rep. Gagnon as E.F.C. Chair it would be her job to report this matter to the full delegation at their next meeting. Rep. Gottling noted she was uneasy on next year's budget, when "*we don't know quite where we are*". Rep. Ferland noted she was certain with the budget in packets; they will get a better picture. Discussion on when to repay the loan began and in coming revenues. This motion failed with no vote.

9:39 A motion was made, by Representative Converse, and seconded, by Representative Gottling, to borrow up to Two (2) Million, as of this date. There was no discussion. A roll call vote was taken. The following Delegates voted in favor of the motion: Representatives Cloutier, Converse, Gottling, Donovan and Ferland. There were no votes against the motion. Representative Neilson was absent.

Mr. Gil de Rubio asked Ms. Sweeney if she went out to bid. She noted she contacted only Lake Sunapee Bank.

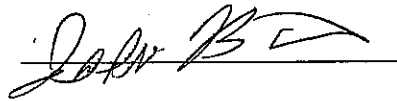
9:40 The meeting was adjourned.

Respectfully submitted,

Jeff Barrette, Clerk
Board of Commissioners

JB/s.jc.

Date signed:

A handwritten signature in dark ink, appearing to read "Jeff Barrette", is written over a horizontal line.